

# OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY

## AGENDA

February 14, 2013  
9:00 a.m.

*Third Floor, Conference Room 3001  
1010 10<sup>th</sup> Street  
Modesto, California*

[www.stancounty.com](http://www.stancounty.com)

The Oversight Board welcomes you to its meetings which are regularly scheduled the second Thursday of each month, and your interest is encouraged and appreciated.

The agenda is divided into two sections:

**CONSENT CALENDAR:** These matters include routine financial and administrative actions and are identified with an asterisk (\*). All items on the consent calendar will be voted on as a single action at the beginning of the meeting under the section titled "Consent Calendar" without discussion. If you wish to discuss an item on the Consent Calendar, please notify the Clerk prior to the beginning of the meeting or you may speak about the item during Public Comment Period.

**NON-CONSENT CALENDAR:** These items will be individually discussed and reviewed in detail.

**ANY MEMBER OF THE AUDIENCE DESIRING TO ADDRESS THE OVERSIGHT BOARD REGARDING A MATTER ON THE AGENDA:** Please raise your hand or step to the podium at the time the item is announced by the Oversight Board Chairperson. In order that interested parties have an opportunity to speak, any person addressing the Oversight Board will be limited to a maximum of 5 minutes unless the Chairperson of the Oversight Board grants a longer period of time.

**PUBLIC COMMENT PERIODS:** Matters under the jurisdiction of the Oversight Board and not on the posted agenda, may be addressed by the general public at the beginning of the regular agenda and any off-agenda matters before the Oversight Board for consideration; however, California law prohibits the Oversight Board from taking any action on any matter which is not on the posted agenda unless it is determined to be an emergency by the Oversight Board. Any member of the public wishing to address the Oversight Board during the "Citizen's Forum" period will be limited to a maximum of 5 minutes.

**OVERSIGHT BOARD AGENDAS AND MINUTES:** Agendas, Minutes, and copies of items to be considered by the Oversight Board are typically posted on the internet on Friday afternoons preceding the meeting at the following website: [www.stancounty.com](http://www.stancounty.com). All materials, including materials related to an item on this Agenda, submitted to the Oversight Board after distribution of the agenda packet are available for public inspection in the Planning and Community Development Department at 1010 10<sup>th</sup> Street, Suite 3400, Modesto, during normal business hours.

**NOTICE REGARDING NON-ENGLISH SPEAKERS:** Oversight Board meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

**REASONABLE ACCOMMODATIONS:** In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Oversight Board Clerk at (209) 525-6330. Notification 72 hours prior to the meeting will enable the Clerk to make arrangements to ensure accessibility to this meeting.

I. **ROLL CALL:** Dave Cogdill Jr.; James Duval; Linda Flores; Brad Hawn; Stephen Mayotte; Terry Withrow; Duane Wolterstorff.

II. **CONSENT CALENDAR (Those items marked with an \*)**

III. **APPROVAL OF MINUTES**

\*A. January 10, 2013.

**IV. CORRESPONDENCE**

A. None.

**V. PUBLIC COMMENT**

**VI. AGENDA ITEMS**

A. Approval of an Administrative Budget for Fiscal Year 2013-2014

B. Approval of Recognized Obligation Payment Schedule for July 1, 2013 to December 31, 2013 (ROPS 13-14A)

**VII. OTHER MATTERS**

A. On the Horizon.

**VIII. ADJOURNMENT**

# OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE STANISLAUS COUNTY REDEVELOPMENT AGENCY

## MINUTES

REGULAR MEETING

January 10, 2013

- I. ROLL CALL:** Meeting called to order at 9:00 a.m.
- Present: Chairman, Terry Withrow; Dave Cogdill, Jr.; Linda Flores; Stephen Mayotte; and James Duval.
- Absent: Duane Wolterstorff; Brad Hawn
- Staff Present: Angela Freitas, Planning and Community Development Director; Thomas Boze, Deputy County Counsel; Marianne Rucker, Manager II; Brenda McCormick, Oversight Board Clerk
- II. PLEDGE OF ALLEGIANCE**
- III. CONSENT CALENDAR**
- A. None.
- IV. APPROVAL OF MINUTES**
- \*A. Upon motion of Oversight Board members James Duval/Stephen Mayotte (5-0) the Board approved the minutes of the December 13, 2012 meeting.
- V. CORRESPONDENCE**
- Director Freitas informed the Oversight Board members of various correspondence listed on the agenda:
- A. Letter dated December 15, 2012, from Steve Szalay, Local Government Consultant, Department of Finance, regarding Low and Moderate Income Housing Fund Due Diligence Review.
- B. Letter dated December 18, 2012, from Steve Szalay, Local Government Consultant, Department of Finance, regarding the Recognized Obligation Payment Schedule.
- C. Letter dated December 21, 2012, from Phoebe Seaton, California Rural Legal Assistance, regarding Department of Finance Determination Letter regarding Stanislaus County's DDR pertaining to the Low and Moderate Income Housing Fund.

**VI. PUBLIC COMMENT**

A. No one spoke.

**VII. AGENDA ITEMS ( \* - Consent Items )**

A. **Review and Approval of the All Other Funds, Excluding Low to Moderate Income Housing Fund, Due Diligence Review**  
*Chairman asked for public comment and no one spoke.*  
**Dave Cogdill, Jr./Stephen Mayotte (5-0)**

**VIII. OTHER MATTERS (NOT PUBLIC HEARINGS)**

A. On the Horizon  
*Director Freitas informed the Board that approval of the Administrative Budget and ROPS IV will be coming before them at the next regular meeting on February 14, 2013.*

**IX. ADJOURNMENT**

The meeting was adjourned at 9:10 a.m.

Signature on file  
Angela Freitas, Secretary

(The above is a summary of the minutes of the Oversight Board meeting. Complete tape(s) of the meeting are available from the Planning and Community Development Department.)

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE  
STANISLAUS COUNTY REDEVELOPMENT AGENCY**

**STAFF REPORT**

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**SUBJECT:**

Approval of an Administrative Budget for Fiscal Year 2013-2014

**RECOMMENDATION:**

1. Approve the Administrative Budget for Fiscal Year 2013-2014.
2. Direct the Department of Planning and Community Development to forward the approved amended administrative budget to the Stanislaus County Auditor-Controller as the Successor Agency's official administrative cost estimates for Fiscal Year 2013-2014.
3. Adopt the attached Draft Resolution approving the Administrative Budget for Fiscal Year 2013-2014.

**DISCUSSION:**

The Redevelopment Agency Dissolution Act (the "Dissolution Act") (ABx1 26) requires that a successor agency prepare a proposed administrative budget and submit it to the oversight board for its approval. The proposed administrative budget must include all of the following:

1. Estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period.
2. Proposed sources of payment for the costs identified in item one (1) above.
3. Proposals for arrangements for administrative and operations services provided by a city, county, city and county, or other entity.

In addition, the successor agency is required to provide the County Auditor-Controller with administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited into the Redevelopment Property Tax Trust Fund (RPTTF), for each six-month fiscal period covered by a Recognized Obligation Payment Schedule (ROPS).

The Dissolution Act provides for an administrative cost allowance to provide funds for successor agencies to wind down the affairs and administer the debt repayments of the former redevelopment agency. The Dissolution Act provides the following definition:

"Administrative cost allowance" means an amount that, subject to the approval of the oversight board, is payable from property tax revenues of up to 5 percent of the property tax allocated to the successor agency on the Recognized Obligation Payment Schedule covering the period January 1, 2012, through June 30, 2012, and up to 3 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund money that is allocated to the successor agency for each fiscal year thereafter; provided, however, that the amount shall not be less than two hundred fifty thousand dollars (\$250,000), unless the oversight board reduces this amount, for any fiscal year or such lesser amount as agreed to by the successor agency. However, the allowance shall exclude, and shall not apply to, any administrative costs that can be paid from bond proceeds or from sources other than property tax. Administrative cost allowances shall exclude any litigation expenses related to assets or obligations, settlements and judgments, and the costs of maintaining assets prior to disposition. Employee costs associated with work on specific project implementation activities, including, but not limited to, construction inspection, project management, or actual construction, shall be considered project-specific costs and shall not constitute administrative costs."

Based on the Successor Agency's (SA) enforceable obligations, three percent of the property tax allocated to the SA for 2013-14 would be less than the minimum administrative cost allowance of \$250,000.

The following is a description of the costs to be covered by the administrative cost allowance in Fiscal Year 2013-2014:

**Staffing Costs:** These costs reflect staff salaries and benefits for the time spent working on SA. The costs reflected in the budget are estimates based on actual costs and anticipated work tasks that need to be completed.

Staffing costs include staff time from the County's Department of Planning and Community Development, County Counsel and the Chief Executive Office.

**Operational Costs:** These costs reflect the SA's costs for services, supplies and the County's Cost Allocation Plan (CAP) charges. CAP charges include "fair share costs" covering, but not limited to, self-insured general liability, mail room, Auditor's Department, Purchasing Agents, and fiduciary liability insurance. These costs also include Oversight Board meeting related expenses. Other operational expenses include the following property maintenance and annual audit costs:

- Property Maintenance: The SA is responsible for the former Redevelopment Agency's (RDA) single property holding. The property consists of a .23 acre residential parcel acquired by the RDA in 2005 through foreclosure (7624 Monterey Avenue). The RDA provided Housing Funds to rehabilitate the property, which was later destroyed by fire. The property is currently subject to an "Option to Purchase" agreement between the RDA and the Monterey Park Tract Community Service District (MPTCSD) to allow for construction of a water

well/water storage tank site to improve water quality in the RDA Project Area. The "Option to Purchase" agreement expires on June 1, 2013. It is anticipated that the MPTCSD will act on the option agreement prior to its expiration; however, until the property is transferred, the SA is responsible for ensuring that the property is maintained free of trash and weeds. The proposed budget anticipates a minimum of two abatements per fiscal year.

- Annual Audits/Financial Statements: The SA is responsible for preparation of an audit/financial statement for the 2012-2013 Fiscal Year.

**Legal Service Costs:** These costs reflect actual costs for outside legal services provided to the SA by the Sacramento based Miller & Owen law firm. Miller & Owen has been providing services to the RDA since the late 1980's when Stanislaus County first started the process for formation of the RDA and have been guiding the County in its transition from RDA to SA. Services from Miller & Owen are provided on an "as needed" basis.

**Proposed Administrative Budget:**

The proposed administrative budgets provided below reflect the administrative costs to be listed on the ROPS as an enforceable obligation to be paid for from the administrative cost allowance.

	<b>Fiscal Year 2013-2014</b>
	<b>February 14, 2013 Proposed Budget</b>
<b>Staffing Costs</b>	\$197,000.00
<b>Operational Costs</b>	\$23,000.00
<b>Legal Service Costs</b>	\$30,000.00
<b>Total Costs</b>	\$250,000.00

A reconciliation of estimated versus actual costs will be reported on subsequent ROPS. The difference will result in adjustments to the amount of property tax distributed by the County Auditor-Controller to the SA's Redevelopment Property Tax Trust Fund.

An administrative budget of \$250,000 was approved by the OB for Fiscal Year 2012-2013. As of December 31, 2012, the actual administrative costs of the SA were only \$72,371. The SA continues to budget for the full amount of the administrative cost allowance to ensure adequate funding is available to cover all costs.

**ATTACHMENTS:**

1. Draft Resolution No. 2013-02

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE  
STANISLAUS COUNTY REDEVELOPMENT AGENCY**

**RESOLUTION NO. 2013-02**

**DATE:** February 14, 2013

**SUBJECT: Approval of an Administrative Budget for Fiscal Year 2013-2014**

On the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, and approved by the following vote:

Ayes:

Noes:

Absent:

Abstained:

**THE FOLLOWING RESOLUTION WAS ADOPTED:**

**WHEREAS**, on February 1, 2012, the Stanislaus County Redevelopment Agency was dissolved pursuant to the Redevelopment Agency Dissolution Act (ABx1 26), enacted by the State Legislature, and signed by the Governor, as part of the Fiscal Year 2011-12 State budget bill, and subsequently modified by the State Supreme Court; and

**WHEREAS**, pursuant to Section 34173 of ABx1 26, the County of Stanislaus assumed the role of the Successor Agency to the former Stanislaus County Redevelopment Agency ("Successor Agency"), and is responsible for winding down the activities of the former Redevelopment Agency; and

**WHEREAS**, the Successor agency must prepare an administrative budget and submit it to the Oversight Board for approval, pursuant to Section 34177 (j) of the ABx1 26; and

**WHEREAS**, the Oversight Board has considered the proposed Administrative Budget for Fiscal Year 2013-2014.

**NOW, THEREFORE, BE IT RESOLVED** that this Oversight Board:

1. Has considered the proposed Administrative Budget for Fiscal Year 2013-2014, presented at this meeting, and hereby adopts the proposed Administrative Budget in substantially the same form as attached hereto.
2. This resolution shall take effect from and after the date of its passage and adoption, February 14, 2013.

**BE IT FURTHER RESOLVED** that Successor Agency staff shall bring amendments to the Administrative Budget to the Oversight Board for approval, as necessary, and is directed to provide administrative cost estimates to be paid from property tax revenues to the County Auditor-Controller for each six month fiscal period.

**ATTEST:**

**APPROVED AS TO FORM:**

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Brenda McCormick  
Oversight Board Clerk

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Thomas Boze  
Deputy County Counsel

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE  
STANISLAUS COUNTY REDEVELOPMENT AGENCY**

**STAFF REPORT**

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**SUBJECT:**

Approval of Recognized Obligation Payment Schedule (ROPS) 13-14A for July to December 2013.

**RECOMMENDATION:**

1. Approve the Recognized Obligation Payment Schedule (ROPS) 13-14A for July to December 2013.
2. Approve the attached Draft Resolution approving the ROPS 13-14A for July to December 2013.
3. Authorize the Director of the Department of Planning and Community Development to make revisions to the ROPS 13-14A, as necessary, to address any modifications to the form made by the California Department of Finance between Oversight Board approval and the March 1, 2013, submission deadline.
4. Authorize the Chair of the Oversight Board to sign the ROPS 13-14A for July to December 2013.
5. Direct the Department of Planning and Community Development to take all actions required under law including, but not limited to, forwarding the approved ROPS to the Stanislaus County Auditor-Controller, California Department of Finance, and California State Controller's Office, and requesting an opportunity to meet and confer with the Department of Finance, if needed.

**DISCUSSION:**

The Redevelopment Agency Dissolution Act (the "Dissolution Act") (ABx1 26) requires that an oversight board approve the Recognized Obligation Payment Schedule (ROPS) prepared by the successor agency before it can be submitted to the Stanislaus County Auditor-Controller, California Department of Finance (Finance) and the State Controller's Office. A ROPS lists all of the enforceable obligations of the former Redevelopment Agency and, commencing on May 1, 2012, only those payments listed on the ROPS may be made by the Successor Agency (SA).

After May 1, 2012, the SA only receives a distribution of property tax funding (deposited into a Redevelopment Property Tax Trust Fund (RPTTF)) equal to the amount needed

to make the payments listed on the ROPS. With this ROPS, Finance has adopted a new naming convention to replace the previous I, II, and III sequence. The new name beginning with this period is 13-14A (for fiscal year 2013-14 and A representing the first half of the fiscal year). The ROPS 13-14A must be submitted to Finance by March 1, 2013.

All of the obligations listed on the ROPS 13-14A were previously listed on the ROPS I, II, and III approved by the Oversight Board (OB) of the SA of the Stanislaus County Redevelopment Agency (Agency). Despite OB approval, Finance has consistently determined that the following two agreements reflected on the ROPS are not enforceable obligations and, as such, the obligations have been denied:

- Public Works Infrastructure Agreement
- Housing Set Aside Fund – LMI Housing Fund/1991 CRLA Agreement

In providing the 13-14A ROPS template, Finance has stated:

“If a particular item was previously denied by Finance, it will still remain on the ROPS template but will be specifically identified as denied. Absent a reversal through the Meet and Confer process, or a favorable outcome through litigation, Agencies should not input expenses for these items.”

Finance's instructions for completing the ROPS 13-14A template further specify that obligations denied by Finance have been color coded (a pale red) and the cells [in the template] have been locked for inputting. A Meet and Confer in response to the ROPS III was conducted on October 10, 2012, and a final determination was provided by Finance on December 18, 2012. Finance's final determination remains a denial of both agreements.

The "notes" section of the ROPS 13-14A, shown in Attachment 1, page 5, clarifies that the obligation debt information for both agreements is not being provided at the direction of Finance, and that both the SA and OB continue to disagree with Finance's determination and reserve the right to challenge Finance's determination and reestablish the agreements as enforceable obligations.

Upon submittal of the ROPS 13-14A, the DOF will have five (5) days to request a review and forty-five (45) days to review the ROPS. Upon the DOF's determination, the Successor Agency has five (5) days to request additional review by the DOF and an opportunity to Meet and Confer on disputed items. Successor Agency staff is prepared to request additional review and to Meet and Confer with the DOF, if necessary.

The recommendations for this item includes authorization for the Director of the Department of Planning and Community Development to make revisions to the ROPS 13-14A form, as necessary, to address any modifications to the form made by Finance between Oversight Board approval and the March 1, 2013, submission deadline. Within

a one-week period of releasing the ROPS 13-14A template, Finance released two revised templates to address 'glitches'. While no further revisions are anticipated, the requested authorization is a safety measure to avoid the need to reconvene the OB for a simple 'administrative type' revision to the form.

The ROPS 13-14A includes a reconciliation of estimated versus actual payments made by the SA during the ROPS II period (July to December 2012). As reflected in the ROPS summary, the ROPS 13-14A RPTTF payment will be reduced by \$86,254 to account for overpayment of the Administrative Allowance and the Housing Rehabilitation obligation and an under estimation of the payment due for the Salida Storm Drain loan. The Housing Rehabilitation obligation of \$47,361 was inadvertently included on both the ROPS I and II and, as a result, the SA has received an extra RPTTF payment for the one obligation. Receipt of the first RPTTF payment was reflected in the reconciliation of the ROPS I (January to June 2012) and recognized as "paid in full" on the ROPS III. \$39,129 reflects an over estimation of the Administrative Allowance and the Salida Storm Drain payment was under estimated by \$236.

**ATTACHMENTS:**

1. Proposed ROPS for July to December 2013
2. Draft Resolution No. 2013-03

SUCCESSOR AGENCY CONTACT INFORMATION

**Successor Agency**

ID: 369  
County: Stanislaus  
Successor Agency: Stanislaus County

**Primary Contact**

Honorific (Ms, Mr, Mrs)	
First Name	Angela
Last Name	Freitas
Title	Planning Director
Address	1010 10th Street Suite 3400
City	Modesto
State	CA
Zip	95354
Phone Number	209-525-6330
Email Address	angela@stancounty.com

**Secondary Contact**

Honorific (Ms, Mr, Mrs)	
First Name	Marianne
Last Name	Rucker
Title	Manager II
Phone Number	290-525-6330
Email Address	ruckerm@stancounty.com

**SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Filed for the July 1, 2013 to December 31, 2013 Period

**Name of Successor Agency:** STANISLAUS COUNTY (STANISLAUS)

<b>Outstanding Debt or Obligation</b>	<b>Total</b>
Total Outstanding Debt or Obligation	\$29,568,179

<b>Current Period Outstanding Debt or Obligation</b>	<b>Six-Month Total</b>
A Available Revenues Other Than Anticipated RPTTF Funding	\$0
B Enforceable Obligations Funded with RPTTF	\$1,187,285
C Administrative Allowance Funded with RPTTF	\$125,000
D Total RPTTF Funded (B + C = D)	\$1,312,285
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$1,312,285
F Enter Total Six-Month Anticipated RPTTF Funding	\$1,312,285
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$0

**Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments** (as required in HSC section 34186 (a))

H Enter Estimated Obligations Funded by RPTTF <i>(lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	\$1,330,833
I Enter Actual Obligations Paid with RPTTF	\$1,172,209
J Enter Actual Administrative Expenses Paid with RPTTF	\$72,370
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)	\$86,254
L Adjustment to RPTTF (D - K = L)	\$1,226,031

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177(m) of the Health and Safety code,  
 I hereby certify that the above is a true and accurate Recognized  
 Obligation Payment Schedule for the above named agency.

Terry Withrow	Oversight Board Chairman
Name	Title
/s/	2/14/2013
Signature	Date







**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE  
STANISLAUS COUNTY REDEVELOPMENT AGENCY**

**RESOLUTION NO. 2013-03**

**DATE:** February 14, 2013

**SUBJECT: Approval of a Recognized Obligation Payment Schedule (ROPS) for  
July to December 2013**

On the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, and approved by the following vote:

Ayes:

Noes:

Absent:

Abstained:

**THE FOLLOWING RESOLUTION WAS ADOPTED:**

**WHEREAS**, on February 1, 2012, the Stanislaus County Redevelopment Agency was dissolved pursuant to the Redevelopment Agency Dissolution Act (ABx1 26), enacted by the State Legislature, and signed by the Governor, as part of the Fiscal Year 2011-12 State budget bill, and subsequently modified by the State Supreme Court; and

**WHEREAS**, pursuant to Section 34173 of ABx1 26, the County of Stanislaus assumed the role of the Successor Agency to the former Stanislaus County Redevelopment Agency ("Successor Agency"), and is responsible for winding down the activities of the former Redevelopment Agency; and

**WHEREAS**, ABx1 26 requires the Successor Agency to prepare a Recognized Obligation Payment Schedule (ROPS) for each six month period and submit it to the Oversight Board for approval; and

**WHEREAS**, in accordance with the ROPS 13-14A instructions and the template provided by Finance, the obligation debt information for the 1991 CRLA Agreement and Public Works Infrastructure Agreement has not been populated; and

**WHEREAS**, the ROPS for the period of July to December 2013, has been considered by the Oversight Board at a public meeting.

**NOW, THEREFORE, BE IT RESOLVED** that this Oversight Board:

1. Hereby adopts the proposed ROPS for July to December 2013.
2. Hereby finds that, while the obligation debt information has not been populated for the 1991 CRLA Agreement and Public Works Infrastructure Agreements based on

the Department of Finance's determination and instructions for ROPS 13-14A, the Successor Agency and the Oversight Board of the former Stanislaus County Redevelopment Agency continue to disagree with Finance's determination and reserve the right to challenge Finance's determination and reestablish the Agreement as an enforceable obligation.

3. This resolution shall take effect from and after the date of its passage and adoption, February 14, 2013.

**BE IT FURTHER RESOLVED** that this Oversight Board directs Successor Agency staff to take all actions required by the Redevelopment Agency Dissolution Act (ABx1 26), including but not limited to, forwarding the approved ROPS to the Stanislaus County Auditor-Controller, the California Department of Finance, and the California State Controller's Office for certification and approval, and requesting the opportunity to meet and confer with the Department of Finance if needed.

**ATTEST:**

**APPROVED AS TO FORM:**

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Brenda McCormick  
Oversight Board Clerk

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Thomas Boze  
Deputy County Counsel